

government, like that of the United States or Great Britain, for commodities or services received, would represent and indeed embody value in such an eminent degree, that it would closely approximate in this respect to money of inherent value equal to its face." Now I defy any one who is not a lunatic on the subjects of value and money to swallow such a dose as this. The only interpretation which the passage will bear is this—that value has been imparted to the "paper money" because a certain resistance had to be overcome in taking the money out of the people's hands. But if Mr. Baird means to set forth the well known fact that labor has to be given, or resistance to be overcome, by muscular toil, before people can get their money or their goods; and that *therefore* responsible or any other governments can impart value to bits of paper in such an eminent degree as that they shall closely approximate in that respect to a product of toil, then I confess I am blind enough not to perceive the connection. And Mr. Baird will pardon me when I say that there is not the remotest industrial connection between the two things. The article is a plea for more paper for the American people; and though, as appears to me, it is a signal failure in that respect, and abounds with propositions which no true economist can for a moment entertain; yet, on the other hand, it is a damaging statement of what is popularly known as the specie basis. The sentence "money of inherent value equal to its face" is quite beyond my comprehension. I have always understood that, practically, value is a relative term, having reference to some other article owning an equivalent amount of labor. Mr. Baird says, and says truly, "Under the British credit system some \$115,000,000 or a little over, of specie is made to serve as a so-called 'basis' for \$4,000,000,000 of bank circulation and deposits." So that, even if the money were the property of the banks—if they had given labor to the people for it instead of bits of paper—it would still be a complete delusion to call it a basis of any kind for the huge mountain of paper by which "business" is transacted and industry ruined.

But, seriously speaking, who are we deceiving by all this course of conduct? It is painfully evident that many writers of undoubted ability are unconsciously engaged in the propagation of the most vulgar and dangerous errors. I say unconsciously—for I have hope that these gentlemen, when they have laid hold of the fundamental truths of Political Economy in the right way, will consecrate their talents to the propagation of those principles which they now labor to destroy. It is hard to say to what extent we are deceiving the working men, the producers. They, poor simple souls, never look into the matter at all. They have not the least suspicion that so great a wrong is done to them. They confide in what they consider the integrity of the system which is working their ruin. I fear we are but deceiving our own selves, and it is a terrible thing indeed when a deceived heart turns us aside.

A correct "postulate" of the science of Political Economy as they have it in England would be—the science of destroying money, or of constantly suspending payment—of escaping productive toil—of living off the unrequited labor of others—and of effecting the ruin of industry.

What is the convertibility of paper currency? It has been buried under so many fine commercial phrases that it is no wonder the paper men themselves are continually wrangling over the subject. An individual, a bank, a corporation, or a government, gets hold of